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SUBJECT: SEOUL - PRESS BULLETIN; November 19, 2009

TOP HEADLINES

Chosun Ilbo
Obama Faces a "Strong China"

JoongAng Ilbo, Hankook Ilbo, Segye Ilbo, All TVs
Lee, Obama to Discuss N. Korea, FTA and G20 Summit

Dong-a Ilbo
Financial Authorities Seek to Pre-Screen Candidates for Bank
Presidents

Hankyoreh Shinmun
Growing Calls in Ruling Party to Revise Controversial "Four-River
Restoration Project"

Seoul Shinmun
Prime Minister: "Some Highly Recognized Companies Have 90 to 95
Percent Decided to Move into Sejong City"

DOMESTIC DEVELOPMENTS

Presidents Lee Myung-bak and Barack Obama will hold a
summit today to discuss the North Korean nuclear issue, the KORUS
FTA and cooperation for next year's Group of 20 summit in Seoul.
(All)

A senior Blue House official said yesterday that a stern message
toward North Korea will be issued at today's summit to resolve the
nuclear impasse. (Hankyoreh)

The ROKG has deployed 13,000 police officers and soldiers to ensure
tight security during President Obama's visit. The 13,000 personnel
on standby is the largest number ever mobilized for the security of
a foreign guest. (All)

The ruling Grand National Party (GNP) and the main opposition Democratic Party (DP) welcomed President Obama's visit yesterday, saying that the Lee-Obama summit should serve as an opportunity to find a way to resolve the North Korean nuclear issue and to advance the stalled KORUS FTA. The minor opposition Liberty Forward Party, by contrast, expressed disappointment at President Obama's brief stay in the ROK. (JoongAng, Dong-a, Hankook, Seoul)

MEDIA ANALYSIS

- President Obama in ROK

All ROK media gave front-and inside-page coverage to today's summit in Seoul between Presidents Lee Myung-bak and Barack Obama. Most media expected the two leaders to focus on the North Korean nuclear issue, the KORUS FTA and cooperation for next year's Group of 20 summit in Seoul.

Right-of-center JoongAng Ilbo and left-leaning Hankyoreh Shinmun quoted a senior Blue House official as saying yesterday that a stern message toward North Korea will be issued at today's summit to resolve the nuclear impasse. Conservative Dong-a Ilbo cited sources close to the summit as saying that President Obama will explain that the planned visit to Pyongyang by Special Representative for North Korea Policy Stephen Bosworth is not designed to begin negotiations with North Korea, but to urge Pyongyang's return to the Six-Party

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Talks as soon as possible.

Conservative Chosun Ilbo carried an inside-page report entitled "Obama's Northeast Asia Trip Winds Down in Korea." It said: "President Obama has been on a tour of Japan, China and the ROK, apparently with a different agenda in each country. In Japan, although it was his first stop, there was tension over hopes in Tokyo to reduce the presence of U.S. troops. In China, Obama was all charm, skipping lightly over unpleasant issues like human rights and Tibet. What happens in the ROK remains to be seen."

Right-of-center JoongAng Ilbo editorialized: "As of now, Seoul and Washington show no discord over their approaches to resolving the nuclear issue. ... Seoul says that President Lee's 'grand bargain' proposal and the U.S.'s comprehensive resolution are not different. ... When the negotiations pick up speed, however, Seoul and Washington could again face discord over specific issues. That has been the pattern of the past 20 years. During today's summit, Presidents Lee and Obama must focus on minimizing such concerns. This is their third summit, and it is possible for them to open up and have candid discussions."

Newspapers carried the following headlines: "N. Korea's Nuclear Program, FTA Key to Upgrading ROK-U.S. Alliance" (conservative Chosun Ilbo); "Will Obama Show Willingness to Ratify KORUS FTA?" (right-of-center JoongAng Ilbo); and "Possibility that Obama May Just End up Agreeing in Principle on Early Ratification of KORUS FTA" (moderate Hankook Ilbo)

OPINIONS/EDITORIALS

OPPORTUNITY FOR RENEWAL

(JoongAng Ilbo, November 19, 2009, Page 34)

The leaders of the United States and China have shown a clear difference in their views of the North Korea nuclear issue. At a joint press conference that took place shortly after the U.S.-China summit on Tuesday, U.S. President Barack Obama sent a strong warning to Pyongyang when he said, "North Korea has a choice: It can continue down the path of confrontation and provocation that has led to less security, less prosperity and more isolation from the global community," Obama said, "or it can choose to become a full member of the international community, which will give a better life to its people by living up to international obligations and foregoing

nuclear weapons." In contrast, Chinese President Hu Jintao said the matter should be resolved through dialogue and negotiation. The difference in Washington's and Beijing's positions is nothing new. And yet, it is rare to see such a drastic contrast in the midst of a single event. Furthermore, the rift emerged ahead of U.S. special envoy Stephen Bosworth's planned trip to North Korea. This has led to increasing concerns that the international community's handling of the North Korean nuclear issue will result in additional turmoil. Seoul also faces the greater burden of persuading Beijing.

As of now, Seoul and Washington show no discord over their approaches to resolving the nuclear crisis. Some in the U.S. administration were displeased after Lee announced his "grand bargain," but the friction is completely gone now. Ahead of his departure to Asia, Obama said, "President Lee and I are in full agreement on the need to achieve a comprehensive resolution of the nuclear, missile and proliferation problems, and cooperation between our two governments is extremely close." At today's summit, the two leaders are expected to reconfirm their positions and issue a strong message to North Korea to give up its nuclear arms programs. This, however, cannot be the end of the two leaders' discussion.

Seoul says that President Lee's "grand bargain" proposal and the U.S.'s comprehensive are not different. It said that Seoul and Washington share the understanding that the process of dismantling the North's nuclear arms must not be hindered. When the negotiations pick up speed, however, Seoul and Washington could again face discord over specific issues. That has been the pattern of the past 20 years.

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During today's summit, Presidents Lee and Obama must focus on minimizing such concerns. This is their third summit, and it is possible for them to open up and have candid discussions. Both leaders should use the summit as an opportunity to strengthen the foundation of the South Korea-U.S. alliance for the successful denuclearization of the Korean Peninsula.

(This is a translation provided by the newspaper, and it is identical to the Korean version.)

EXPECTATIONS FOR PRESIDENT OBAMA'S FIRST VISIT TO ROK
(Hankook Ilbo, November 19, page 39)

U.S. President Barack Obama arrived in Seoul yesterday on the last leg of his debut Asian tour. President Obama will hold a summit with President Lee Myung-bak today to discuss the North Korean nuclear issue, the Korea-U.S. Free Trade Agreement (KORUS FTA), and cooperation for next year's Group of G20 summit in the ROK. Even though this is the third meeting between the two leaders, Obama's visit to the ROK carries great significance. President Obama is charting a new course for the U.S. and the world. We welcome him heartily and hope that his visit will serve as an opportunity to further bolster bilateral cooperation.

Unlike the Bush Administration, President Obama is championing multi-lateral talks and cooperation, while extending his hand to other countries. We believe that Obama will take such an attitude during the ROK-U.S. summit. We pay special attention to the outcome of their discussions on the North Korean nuclear issue, which is directly related to the peace and stability of the Korean Peninsula.

During the U.S.-China summit held on November 17, President Obama and Chinese President Hu Jintao called on North Korea to return to the Six-Party Talks soon. We expect that the two presidents will reaffirm this position more clearly during the summit. However, pressure is not enough to bring Pyongyang back to the nuclear disarmament negotiations. We expect a more advanced proposal on the North.

We hope that the ROK-U.S. FTA issue will be completely resolved during the upcoming summit. To this end, sincere dialogue is needed more than ever before. Mindful of the interest of the U.S. auto industry, President Obama has been passive about ratifying the trade

deal. We expect that through this visit to the ROK, he will understand the ROK's position more deeply and make an about-face.

Since President Obama's first visit to Seoul does not last less than a day, some observers point out that he pays too little attention to the U.S. ally. In Japan and China, he stayed much longer and attended various events, such as dialogue with college students or a public speech. It is regrettable that the first visit by President Obama, who deeply impressed Koreans, is too short. However, what is more important is for the two nations to build mutual trust through earnest discussions. We hope that the ROK-U.S. summit will produce good results which live up to Koreans' high expectations.

Features

LEE-OBAMA TALKS TO FOCUS ON NK NUKES, FTA
(Dong-a Ilbo, November 19, 2009, Front Page)

By Reporter Chung Yong-kwan

President Lee Myung-bak and U.S. President Barack Obama will hold a summit today in Seoul on North Korea's nuclear threat and ratification of the bilateral free trade agreement.

The Korean presidential office of Cheong Wa Dae yesterday said both leaders will hold an intense discussion over President Lee's "grand bargain" proposal, or a one-step agreement to deal with Pyongyang,

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at the summit.

They will also discuss how to advance ratification of the free trade deal, which has stalled since it was signed in September 2007. President Lee will urge both sides to ratify and implement the accord soon given that two years has passed since the signing of the agreement.

The two leaders will also speak on cooperation to combat climate change and South Korea's hosting of next year's Group of 20 summit. Not to be discussed, however, will be Seoul's dispatch of forces to Afghanistan and retaking of wartime operational control from Washington in April 2012. Presidents Lee and Obama will hold a joint news conference after the summit instead of releasing a joint statement.

The two leaders had their first summit on the sidelines of the G20 summit in London in April, followed by one in Washington in June. After visiting China for four days, Obama arrived at the U.S. Air Force base in Osan, south of Seoul, around 7:40 p.m. yesterday. Over his two-day visit to South Korea, Obama will hold talks and a luncheon with President Lee today. Obama will head home after speaking to U.S. forces stationed in South Korea.

(This is a translation provided by the newspaper, and it is identical to the Korean version.)

OBAMA ARRIVES FOR 1ST VISIT TO S. KOREA AS PRESIDENT
(Dong-a Ilbo, November 19, 2009, Page 4)

By Reporter Chung Yong-kwan

U.S. President Barack Obama yesterday landed at the U.S. Air Force base in Osan, south of Seoul, around 7:40 p.m. U.S. Presidents have landed at the base in Air Force One whenever they visit South Korea.

President Obama held small talk with Korean Foreign Minister Yu Myung-hwan and Ambassador to Washington Han Duck-soo, who welcomed Obama at the base. Obama then cheered American soldiers and stepped into the presidential helicopter Marine One to move to a hotel in Seoul. The hotel has been a favorite of U.S. Presidents visiting Seoul due to security issues. After arriving at the hotel, Obama

took a rest to prepare himself for his summit with President Lee Myung-bak.

President Lee had no official schedule yesterday and instead checked the agenda for his bilateral summit at his office. Because of his warm treatment when visiting Washington in June, he ordered his staff to pull out all the stops in providing the appropriate protocol and security for Obama. Back in June, President Lee stayed at Blair House, the official guesthouse of the U.S. President, in Washington.

In today's summit, both leaders plan to put focus on North Korea's nuclear program and speeding up the ratification of the South Korea-U.S. free trade agreement. On North Korea, they are expected to coordinate their opinions on President Lee's "grand bargain" proposal, an initiative to deal with Pyongyang's nuclear program. Though Obama failed to mention the grand bargain before his visit to Asia, he said, "President Lee and I are in a full agreement on the need to achieve a comprehensive package for the nuclear missile and proliferation problems."

Sources close to the summit said Obama will explain that the visit to Pyongyang by U.S. Special Representative for North Korea Policy Stephen Bosworth is not designed to begin negotiations with North Korea, but to urge Pyongyang's return to the Six-Party Talks as soon as possible. The two leaders will also discuss implementing the Joint Vision for the ROK-U.S. Alliance adopted at their June summit.

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A more urgent issue, however, is the ratification of the bilateral free trade agreement. President Lee will discuss the matter first and talk about the nuclear issue later. Though the Korean government has high expectations for a positive response from Obama, it has taken a careful approach. A survey of U.S. industries on the agreement conducted by the U.S. Trade Representative said around 90 percent fully back the deal. Eighty-eight U.S. congressmen have also sent a letter to Obama urging faster action on the accord. Seoul, however, is well aware that the U.S. Senate is unlikely to ratify the deal soon because of complicated issues such as health care reform. Accordingly, it remains to be seen whether the two leaders will just declare that they will strive to get the deal ratified as soon as possible or reach agreement on detailed plans.

They will also discuss South Korea's hosting of the Group of 20 summit in November next year. Another agenda item is the U.N. Climate Conference in Denmark next month. President Lee will say Korea will cut CO2 emissions 30 percent by 2020 and discuss cooperation in green growth with Obama.

(This is a translation provided by the newspaper, and it is identical to the Korean version.)

SUMMIT TO SEND NORTH STERN WORDS
(JoongAng Daily, November 19, 2009, Front Page)

By Reporter Ser Myo-ja

"Grand bargain" can only come after Pyongyang returns to Six-Party Talks

A stern message toward North Korea to resolve the nuclear impasse will be issued at the summit of President Lee Myung-bak and U.S. President Barack Obama today, a senior Blue House official said yesterday.

After wrapping up his visit to China, Obama arrived here yesterday evening, landing at the U.S. Forces Korea's air base in Osan, south of Seoul. South Korea is the last stop on Obama's nine-day Asian tour. Anticipation was running high yesterday that today's summit between Lee and Obama will propel both leaders to push their legislatures to complete the Korea-U.S. free trade agreement.

Beyond North Korea and the FTA, climate change and U.S. cooperation in Seoul's hosting of the G-20 summit next November will also be on the table. Blue House officials said President Lee spent much of yesterday preparing for the summit, going over the main agenda items with key aides.

The summit follows Washington's decision to send a special envoy to North Korea to discuss Pyongyang's possible return to the stalled six-nation nuclear talks. Lee and Obama are also meeting days after a naval skirmish between the two Koreas in the Yellow Sea.

Lee's North Korea policy architect said yesterday that Lee and Obama will discuss what they can offer within the so-called grand bargain proposal.

"North Korea has not returned to the Six-Party Talks yet," Kim Tae-hyo, Lee's secretary for national strategy, told YTN yesterday. "At this point, Lee and Obama are expected to discuss how they can work together to create a package deal to be offered to the North in return for its nuclear dismantlement. Furthermore, they will discuss how to coordinate it with Japan, China and Russia, and how the North will react to it. The Lee-Obama summit will also serve as an opportunity to discuss the blueprint of the deal depending on the North's reaction."

"Only after the North returns to the six-nation talks can we make an offer, and the North can react," Kim said. "At this point, it is important for North Korea to decide to give up its nuclear arms programs. It is inappropriate to discuss what the international

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community will offer inside the grand bargain while the North hides the core parts of its nuclear program. To this end, a stern message will be sent to the North through the Lee-Obama summit."

Lee and Obama will also discuss the FTA, signed in 2007. It would liberalize bilateral trade between the two countries. Leaders of Korea's major business lobbies, including the Federation of Korean Industries, visited the National Assembly yesterday to urge lawmakers to ratify the deal as soon as possible. The summit also follows a bipartisan move in the U.S. Congress urging Obama to quickly submit the ratification bill.

Park Sun-kyoo, Lee's spokesman, said the Blue House also geared up to provide the best possible security for Obama, who is visiting Korea for the first time. Lee personally chose gifts for the U.S. president. "Because Obama learned taekwondo when he was (an Illinois state) senator, a taekwondo uniform, a black belt and an honorary certificate will be presented to him as presidential gifts," Park said.

Although the U.S. first lady is not accompanying the American president this time, a Korean cookbook in English will also be delivered for Michelle Obama, Park said. After summit meetings this morning, Lee and Obama will jointly address the press. But no joint statement will be issued to summarize the summit.

Following the press conference, the two will have lunch at the presidential guesthouse of Sangchunjae inside the Blue House. According to other Blue House officials, a traditional Korean meal of bulgogi, japchae and other dishes will be served along with California wine.

While the ruling party welcomed Obama, opposition parties were split over his first trip to Korea.

"I have seen footage of the two leaders (in a previous meeting) on TV. As I saw them standing close, whispering to each other, I had an impression that they have built a deep friendship and trust on a personal level," said Chung Mong-joon, the Grand National Party Chairman. The Democratic Party's Chairman Chung Sye-kyun also said the Lee-Obama summit should serve as an opportunity to find a way to resolve the nuclear crisis.

In contrast, Lee Hoi-chang, head of the conservative opposition Liberty Forward Party, expressed disappointment at Obama's scheduled

itinerary in Korea.

"Obama attended a series of events in Japan and participated in a debate with university students in China," Lee said. "And yet, he is only staying 24 hours in Korea and had no special plans other

STEPHENS